

Fiduciary Operating Plan—Instructions

Submit a copy of the projected operating plan or feasibility study prepared to support the establishment of the proposed fiduciary operation. The plan, at a minimum, should address sufficiently the following considerations. Additional information may be submitted as appropriate.

1. Identify the proposed primary market area:
 - C Demonstrate the need for fiduciary services in the proposed market area and the degree to which business may be drawn from outside this area.
 - C Specify the types of fiduciary services to be offered and the fees to be charged for each service.
 - C Demonstrate realistic assessments of risk in light of economic and competitive conditions in the market area.
2. Identify the institutions offering fiduciary services in the same market area and the competitive role those institutions play, including their relative size and market share of trust business. The applicant should describe in what way it intends to draw from those institutions or otherwise establish its fiduciary customer base.
3. Estimate the period of time that will be required to place the operation of the proposed trust department on a profitable basis. Discuss any additional facts that might influence profitability.
4. Discuss any plans to acquire existing business.
5. Earnings prospects. Provide an estimate of income and expenses for each of the first two years of operation, including an estimate of the number of fiduciary accounts and the volume of business for each year. The following format may be used:

Fiduciary Operating Plan

	<u>First</u> <u>Year</u>	<u>Second</u> <u>Year</u>
Number of Accounts	_____	_____
Value of Trust Assets	_____	_____
Number of Officers	_____	_____
Number of Other Employees	_____	_____
		
Gross Fees, Commissions, and Other Fiduciary Income	_____	_____
Trust and Agency Accounts	_____	_____
All Other Fiduciary Income	_____	_____
Total Fiduciary Income	_____	_____
Operating Expenses		
Salaries and Employee Benefits	_____	_____
Legal Fees	_____	_____
Consulting Fees	_____	_____
New Business	_____	_____
Settlements, Surcharges, and Other Losses (Less Recoveries)	_____	_____
Overhead and Other Direct Expense	_____	_____
Total Expense	_____	_____
Net Trust Income (Loss)	_____	_____